



I N V E S T I N V O L V E I N S P I R E

Draft Case Statement for Support of Junior Achievement Michigan

Prepared for Matt Gillard, Chairman K-12 House Appropriations Committee

FUNDING REQUEST: When you *INVEST* in JA you *INVEST* in Michigan

There is no better way to secure the future success of our students and the state of Michigan than by joining Junior Achievement (JA) in its efforts to raise the educational achievement of our young people. Our vision is to motivate students to learn by providing them with solid, practical skills that will prove invaluable as they confront the economic and personal decisions of life. We know that JA's comprehensive curricula have a positive and irrevocable influence on the children we serve. Through your involvement, more children will reap the benefits of our programs, gaining the leadership skills, confidence and knowledge that will improve their lives and secure their futures.

We invite the State of Michigan to make an investment in our youth by supporting the work of Junior Achievement. An investment of \$500,000 will ensure that JA is able to fund the initiatives outlined in this proposal. Junior Achievement respectfully requests the State of Michigan's support to help.

The investment in JA of Michigan offices will ensure funding for 1,000 classrooms to receive Junior Achievement programs throughout the state.

The JA experience helps students in our state learn about the opportunities that await them in a *free enterprise system*. Through the State of Michigan's partnership, we can continue to develop and implement the nation's foremost programs on economic education. Further, we will enhance our volunteer outreach, cultivate leadership and expand the reach of our programs.

In recent years, we have seen a dramatic increase in the demand for our programs. Data from various sources indicate this trend is long term and demand will rise further in the years ahead. JA stands poised to answer the call. Capitalizing on strong leadership and proven performance, JA is uniquely positioned to engage all constituencies in support of clearly defined, results-oriented economic education initiatives that provide solutions to the challenges facing many of our school children. Our formula for success includes an uncompromising commitment to providing the highest quality programs, a dedicated staff, and a superior Board of Directors to help maintain our focus and accomplish our objectives. We hope the State of Michigan will join us in our efforts to ensure that every child in the state has the opportunity to realize his or her dreams.

THE NEED

While there are many needs within our state as it relates to K-12 education, Junior Achievement Michigan will focus on three key areas.

Financial Literacy

Recent trends in consumer financial conditions are troubling. Household debt has risen appreciably in recent years, and a record number of personal bankruptcies indicate that many people are experiencing significant financial distress. This is due in part to the fact that today's world is more complex than that of previous generations. There are far more choices about where



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to invest money and more places where loans can be obtained. While a simple understanding of checking and savings accounts may have sufficed for our parents, our children require a broader range of knowledge to make sound financial decisions. They need to know about budgeting and the implications of mismanaging credit. They must understand the true cost of financing and how to budget for future needs of education and retirement. *In a speech to the Congressional Black Caucus in September 2003, Former Federal Reserve Chairman Alan Greenspan endorsed personal financial training for young people: “Children and teenagers should begin learning basic financial skills as early as possible. Indeed, improving basic financial education in elementary and secondary schools can help prevent students from making poor decisions later, when they are young adults, that can take years to overcome.”*

These concerns have been echoed widely and are at the heart of the growing interest in recent years to develop and provide financial literacy programs. Through the efforts of several agencies including the Jump\$tart Coalition, of which Junior Achievement is a founding member, and the U.S. Treasury, many initiatives have been advanced to assist America's youth in becoming more capable and literate in the financial arena. This area of focus is expected to continue to dominate the media and capture the attention of educational organizations well into the future.

Workplace Readiness Skills

Employers agree that finding and keeping a quality workforce is the most pressing challenge. This situation will continue to worsen in the next 15 years, as 40 million American workers retire or become eligible to retire, (U.S. Chamber of Commerce, 2000). Furthermore, a growing number of young people are leaving school inadequately prepared for the workplace and their financial responsibilities in society. All too often, they lack even the most basic understanding of economic concepts and principles. The gravity of this problem—and its implications in the 21st century—is well documented by the National Council on Economic Education, the Gallup Organization and others.

In a national survey of American economic literacy, representative samples of the general public, high school seniors and college seniors were asked questions that assessed knowledge of the economy, opinions on economic issues, education and other sources of information. Each survey group overwhelmingly agreed (96-97percent) schools need to place a greater emphasis on teaching students about our economy. In fact, the need for economic education was the only issue in the survey on which there was near unanimous agreement.¹

Research conducted by Roper Starch Worldwide (1997) indicates that employers are not satisfied with the workforce readiness of high school graduates. A significant gap exists between what students learn and what employers need. Findings from the research include:

- 35% of students are not punctual or dependable
- 30% do not understand the importance of getting work done on time
- 24% have difficulty reading a training manual - if they can read one at all
- 27% barely get by when communicating verbally
- 60% do not understand how business works

¹ A National Survey of American Economic Literacy™, prepared by William B. Walstad & Max Larsen for Economics American.



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This research underscores the need to provide young people with an understanding of the world of work so they can successfully work in the world. Through practical, hands-on education in business and economics – beginning in elementary school and continuing through high school – we can begin to turn these numbers around. As knowledge and workplace preparedness increase, so does the likelihood that today's school children will excel in the classroom, the workplace and as future leaders of our communities.

Disconnected Youth

The lack of financial literacy and workplace readiness skills and the future implications of this deficiency have countless educators and youth organizations urging Junior Achievement to step forward to provide programs for children that will enable them to grow into knowledgeable, motivated and contributing members of our society.

In 2002, nearly one in six young adults ages 18 to 24 – or 3.8 million Americans – was not enrolled in school, was unemployed and held no degree beyond a high school diploma.² This is roughly 15 percent of all young adults. Between 2000 and 2003, the ranks of these disconnected young adults grew by 700,000 — *a 19 percent increase over just three years*. At a time when their lives should be filled with anticipation and hope, these young people are wrought with fear and frustration because they lack the skills, experience, education, and confidence to successfully transition to adulthood. The report describes these youth as:

“...the nation's most vulnerable young people. Viewed as a whole, they are largely minority and endure the effects of having been raised in troubled families and in neighborhoods that do not offer the supports and opportunities available in more affluent communities. Most have attended the worst schools, and many have lacked access to adults whose guidance and networks can connect them to mainstream opportunities. Although they may reach adolescence and early adulthood with the same dreams and aspirations of all young people, their ability to realize them is severely limited.”²

Reducing these risk factors is critical to increasing the number of America's youth who reach adulthood with the competencies and attitudes necessary to excel in a global economy.

THE SOLUTION: INSPIRE OUR STUDENTS TO REACH THEIR DREAMS

“JA must be vital to those who build the future.” This is the vision of JA Worldwide's President and CEO, David Chernow. “Those who will build the future are our business and education partners and our students. JA will realize this vision by providing experiences that introduce young people to the free enterprise system, engage them in relevant ways within the system, and deeply impact their values and attitudes toward the system. JA will pursue its vision by focusing on the development of meaningful experiences for young people associated with key content areas of free enterprise education, business, citizenship, economics, entrepreneurship, ethics and character, financial literacy, and work-related life skills. Through these elements, JA will have a profound impact on youth and enable them to be successful.”

² Annie E. Casey Foundation, 2004 Kids Count Data Book, Baltimore MD



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Everyday, JA volunteers inspire students around Michigan with programs that bridge the gap between the need for students to be grounded in economic principles and the inability of many traditional school curricula to address that need. JA offers *experience-based learning* through programs created by leading educators and taught by trained volunteers from the local business community. These role models give students an authentic frame of reference and entrepreneurial values; both students and volunteers benefit from the mentoring that takes place.

A unique quality of JA programs is the progressive learning from one grade level to the next. The age-appropriate curricula teach elementary students about their roles as individuals, workers, and consumers and prepare middle grade and high school students for key economic and workforce situations. In addition to bringing the free enterprise system to life in the classroom, Junior Achievement programs teach young people about the economic realities of life and the importance of staying in school.

JA programs undergo regular and intense formative and summative evaluations. Recently, a longitudinal study conducted by an independent evaluator showed that students who participate in JA use higher levels of thinking to synthesize and integrate information. JA is wholly committed to the continual investment in program development and fine tuning to ensure we are meeting the growing needs of our school children, producing the desired outcomes and meeting – or exceeding – Michigan's educational standards. In addition, JA curriculum supports the *No Child Left Behind Act*.

PARTNERING FOR SUCCESS

JA has partnered with several other organizations and sits on the Michigan After School Initiative to better influence, educate, and advocate on behalf of children throughout Michigan by watching and affecting policy to bring more after school educational opportunities around the state.

JA was one of the driving forces in promoting bipartisan support for "Engineering Michigan's Future", legislation introduced by Representative John Moolenaar (R-Midland). JA of Michigan Presidents and board members headed to Lansing and pulled out House and Senate members during session to stress the importance of the legislation for Michigan's middle-school students. The legislation was passed by both chambers.

JA was very active in working with the Michigan Department of Education as they began to address the need to change the state high school graduation requirement. JA was an effective advocate in Lansing and in community forums throughout the state. The approved changes reflected the need to take Michigan from factories, farming and tourism to knowledge-based enterprises. The changes also ensure JA access to blackboard space in the classroom.

Currently, JA of Michigan is developing further collaborations with the Michigan Manufacturers Association, the Michigan Association of Certified Public Accountants and the Michigan Credit Union League.

JA of Michigan has played a major role in child advocacy through efforts to affect policy legislation protecting the flexibility of schools to institute such program as JA in the classroom. JA Michigan works with Karoub Associates in Lansing to promote JA's agenda.



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On a national level, JA of Michigan coordinates closely with JA Worldwide on advocacy efforts aimed at federal legislators in a variety of areas impacting children. JA Worldwide works with members of Congress to promote improved educational opportunities for K-12 children in financial literacy, entrepreneurship, and workforce readiness. JA Worldwide's activities are nonpartisan, and the organization partners with a number of organizations to advance these issues before Congress. JA Worldwide contracts with King & Spalding LLP to provide assistance at the federal level. Major initiatives are in the works with the US Department of Labor and the US Juvenile Justice Program. In addition to regular contact with our local US Representatives and Senators at home, JA of Michigan visits the US Capitol annually to meet with our Michigan Representatives and Senators in Washington.

BACKGROUND

Junior Achievement Michigan's purpose is to inspire and prepare young people to succeed in a global economy. Our core values are:

- Belief in the boundless potential of young people
- Commitment to the principles of market based economics and entrepreneurship
- Passion for what we do and honesty, integrity, and excellence in how we do it
- Respect for the talents, creativity, perspectives, and backgrounds of all individuals
- Belief in the power of partnership and collaboration
- Conviction in the educational and motivational impact of relevant, hands-on learning

Organizational Information & Capacity

Junior Achievement Michigan is a coalition of eight JA offices working together to serve Michigan's children. During the 2005-2006 school year ***JA Michigan reached 155,344 students*** with its innovative programs by ***investing over \$5,000,000 in 6,642 classrooms throughout Michigan***. Junior Achievement Michigan is comprised of 60 individual staff members spread throughout the state. By being spread throughout the state, it provides JA with an effective grass roots approach to engaging local communities to rally behind. Over **200** key community leaders serve on the various JA boards throughout the state. Over **6,000** additional volunteers help us deliver our programs directly to Michigan children. These volunteers also become our grass roots effort to communicate and advocate on behalf of Michigan's children.

JA is fundamentally a volunteer organization where dedicated individuals give their time in the classroom to educate and inspire young people about business, economics and free enterprise. The volunteers are the hallmark of the organization. Through their involvement, JA is able to bring a new and broader meaning to the lessons students are taught in school. **No other non-profit organization has this "in-the-classroom reach."**

CONCLUSION

Support of Junior Achievement helps ensure that young people in our state receive the educational programs necessary to achieve success. JA Michigan is passionate people working together to provide the children of Michigan a brighter future.

A Michigan Futures' report entitled *A New Agenda for a New Michigan* states that "instilling the love of learning may well be the most important foundation for economic success." This is the long term solution to ensuring the success of our children and our state.



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Your approval of this request would allow JA to help more young people around the state gain the knowledge, skills, and motivation to be successful in school, in the workplace and in life.

CONTACTS

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Junior Achievement offices representing Michigan:

JA of Central Michigan – Ann Filmore, President
JA of Southwest Michigan – Brad Kaufman, President
JA of Southeastern Michigan - Karen Kosniewski, President
JA of Michiana – Kelly Matti, President
JA of the Michigan Edge – Connie Poisson, President
JA of Mid-Michigan – Larry Richardson, President



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